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Central Intelligence Agency
Office of the Deputy Director for Intelligence

DDI 2726-83
12 April 1983

NOTE FOR: Herb Kline
Chip Andreae

Attached is CIA's statement on the Subcommittee's recommended deletion of 25X1
analysts from the DDI FY-84 request. I would appreciate your substituting it for the attachments to John McMahon's letter of 7 April. You might also consider attaching the pages from the earlier submission in which we address specifically international finance, political instability, civil technology and psychological assessment 25X1
I leave the inclusion of that material to your discretion. If you have any further questions, please call me.

25X1
Deputy Director for Intelligence

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CIA Comment:

The Committee's concerns appear to focus on whether the subjects the requested analysts will work on are appropriate for CIA analysis.

- The [] analysts requested for East and West Europe ([] economic, [] military*, [] area specialists) would work on issues such as overt and clandestine transfer of technology from Europe to the East, the prospects for "other Polands" in Eastern Europe, [] [] the economic problems of our allies, the prospects for Greece, Turkey and Spain, and the implications for the US of economic and industrial developments in Europe. 25X1
- About a third of the requested analysts ([] [] economic, [] military, [] area specialists) would work directly on such key Third World areas as the Middle East and Central America, addressing issues such as the security of Persian Gulf oil, the stability of key states [] [] other developments in the area such as in Lebanon and Syria, the activities of the PLO, the susceptibility of Central American countries to Cuban and radical leftist inroads, the likely impact of the impending financial crunch in Third World and East European countries on US interests. In addition to this Third World regional and country-specific research, [] analysts ([] economic, [] military) are required to pursue cross-cutting themes primarily involving Third World countries such as foreign industrial competition; agricultural assessments; arms transfers, LDC development policies and energy demand. 25X1

*Military analysts in the regional offices are included in the [] positions recommended for deletion. The analysts requested in the "Military" section of the budget book would do research strictly on Soviet weapons programs in development. 25X1

- For 35 years CIA has been expected to work on Soviet defense issues, including their weapons production capabilities. The [] requested new analysts ([] economic, [] military, [] area specialist) will be assigned to work on Soviet economic and defense issues--addressing subjects such as the transferability of resources between the military and civilian sectors of the Soviet economy and the contribution of key Soviet industries to the Soviet defense program. Our effort in this area suffered in the 1970s and we are trying to rebuild it.
- The remaining [] positions are for computer specialists, to include data processors and people to maintain and improve our economic models.

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25X1

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CIA has undertaken collection, research and analysis in these areas because successive Presidents, the policy agencies and many members of Congress expect our support on such subjects and clearly regard them not only as legitimate but as essential topics for intelligence analysis. As a result, we are the primary (and in a number of instances, the sole) source of research and analysis on these subjects. As suggested by the attached letters just since January 1983 from Judge Clark, the Secretary of State, the FBI Director, the Secretary of Defense, the Secretary of Transportation, the Deputy Secretary of Commerce, the Assistant Secretary of the Treasury for International Affairs and the Commandant of the US Army Institute for Military Assistance at Fort Bragg, the rest of the Executive Branch depends upon us for the kinds of analysis cited above and much else.

No other Agency has our experience or our capability to work on this broad range of issues and especially to draw the connections between them; creating such a capability in other agencies would be enormously expensive and, even if successful, would not provide the government-wide service CIA does.

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The Executive and Congressional branches rely on us because we can add to readily available data classified intelligence information from (1) clandestine sources overseas, (2) SIGINT, (3) voluntary American business sources (who cooperate with us because we can protect their identity) and (4) our unparalleled computer and research assets. Beyond the all source nature of our product, the rest of the government relies on us because we offer:

- objectivity which cannot always be relied on in work of policy agencies,
- a critical mass of substantive expertise on issues inadequately covered elsewhere, and
- a base of information and analysis that is in place before a "crisis" occurs.

The product of this work is unique and--as the attached sampling of letters suggests--is both highly valued by the recipients and of demonstrable advantage to the United States.

Where appropriate, we encourage involvement by other government departments in analysis of such issues. We are, for example, helping the Commerce Department strengthen its analytic capabilities on foreign economic issues, not so much to ease our burden but out of belief that competitive analysis on these important and controversial issues can be as useful as on military questions.

Nearly 85 percent of the new analysts CIA is seeking will come not from the readily available pool of "soft" scientists in academia and elsewhere but from specialties which are harder to find or more difficult to compete for--economists, military specialists, and data processors. Our experience in FY-83 already has shown, however, that we can attract high quality people in these areas.

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